THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

DECEMBER 31, 2008

THE CORPORATION OF THE CITY OF PENTICTON

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REEVES AND MAYORS

THE CORPORATION OF THE CITY OF PENTICTON
FROM INCORPORATION

REEVES

1909	Alfred H. Wade
1910 – 1911	E. Foley-Bennett
1912	Capt. I.M. Stevens
1913	E. Foley-Bennett
1914 – 1916	Robert Scott Conklin
1917	William Alexander McKenzie
1918 – 1919	Frederick Maurice Smith
1920 – 1923	Edward John Chambers
1924 – 1925	James Kirkpatrick
1926 – 1927	Geo. A.M. Macdonald
1928	James Kirkpatrick
1929 – 1931	Geo. A.B. Macdonald
1931 – 1935	Charles E. Oliver
1936	H.B. Morley
1937 – 1940	W. Gordon Wilkins
1941 – 1942	R.J. McDougall
1943 – 1944	Robert Lyon
1945	R.J. McDougall
1946 – 1947	Robert Lyon

MAYORS

1948 – 1949	Robert Lyon
1950 – 1953	William A. Rathbun
1954 – 1957	C. Oscar Matson
1957 – 1961	Charles E. Oliver
1962 – 1967	Maurice P. Finnerty
1968 – 1971	F.D. Stuart
1972 – 1975	F.W. Laird
1976 – 1979	K.A. Kenyon
1979 – 1980	J.J. Winkelaar
1980 – 1986	I.C. Messmer
1986 – 1990	Dorothy Whittaker
1990 – 1996	G.J. Kimberley
1996 – 1999	Beth Campbell
1999 – 2002	M.L. (Mike) Pearce
2002 – 2005	C. David Perry
2005 – 2008	G.J. Kimberley
2008-	Dan Ashton

DIRECTORY OF COUNCIL AND CITY OFFICIALS
2008

COUNCIL

MAYOR	Dan Ashton	
COUNCILLORS	Dan Albas	Andrew Jakubeit
	Judy Sentes	Mike Pearce
	Garry Litke	John Vassilaki

CITY OFFICIALS

Administrator	L. den Boer
Director of Corporate Services	J.A. Kler
Clerk	C.E. Ingram
Treasurer	D.A. Leahy
Collector	M.L. Raymond
Director of Development Services	M. Moroziuk
Director of Parks, Recreation and Culture	J. Kirbyson
Director of Human Resources	D. Burdeniuk
Fire Chief	W. Williams
R.C.M.P. Inspector	D. Fudge

CITY AUDITORS	BDO Dunwoody LLP
CITY SOLICITORS	Gilchrist & Co
BANKERS	HSBC Bank Canada

TREASURER'S REPORT

May 2009

Mayor and Council
The Corporation of the City of Penticton

Your Worship and Members of Council:

In accordance with Section 167(1) of the *Community Charter*, I am pleased to submit the 2008 Annual Financial Report of the City of Penticton for the fiscal year ended December 31, 2008. The report includes the Auditors' Report, the 2008 audited financial statements, and supplementary information for the City of Penticton.

The financial statements were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These statements were audited by BDO Dunwoody and their responsibility was to express an opinion based on the results of their audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement.

The operations of the City of Penticton are segregated into various funds for accounting and financial reporting purposes. The funds are as follows:

General Fund
Water Utility Fund
Reserve Funds
Sanitary Sewer Utility Fund
Electric Utility Fund

The Annual Report includes the financial statements for each entity as well as consolidation statements for all entities. The highlights from these reports are summarized below:

CAPITAL EXPENDITURES

	2008	2007
General Fund	$53,779,228	$40,871,095
Sewer Fund	4,996,599	1,059,760
Water Fund	2,385,170	4,208,788
Electric Fund	1,222,122	1,157,232
Total Capital Expenditures	**$62,383,119**	**$47,296,875**

Major capital projects included in the above summary are:

General Capital

Facilities	$42,806,149
City-wide Transportation Works	5,554,764
Parks – Landscape and Development	1,979,553
Cemetery	1,680,035
Information and Technology Works	782,678
City Fleet Equipment	514,768
Fire Department Equipment	153,849

Utilities

Sewer Mains	$3,025,057
Sewer Treatment Plant Works	1,891,353
Water Mains	378,299
Water Dams & Irrigation	459,968
Water Plant	1,163,315
Electric Utility Services	410,976
Electric Utility Line Reconstruction	419,383
Electric Utility Voltage Conversion Program	271,098

Operating Expenditures and Debt Charges *(excludes transfers to other funds and reserves)*

		2008	2007
General Fund	Operating	$38,498,158	$34,731,814
	Debt	3,401,494	1,295,521
		$41,899 652	**$36,027,335**
Sewer Fund	Operating	$2,223,394	$2,117,777
	Debt	197,285	328,409
		$2,420,679	**$2,446,186**
Water Fund	Operating	$2,846,501	$2,526,486
	Debt	759,800	736,185
		$3,606,301	**$3,262,671**
Electric Fund	Operating	**$21,080,896**	**$20,016,653**
TOTAL NET OPERATING EXPENDITURES		**$69,007,528**	**$61,752,845**

Financial Statistics

	2008	2007
Real Property Taxes	$22,768,284	$21,159,831
Collection of Taxes for Other Governments	19,452,757	18,898,587
Long Term Debt Outstanding	72,610,571	36,387,473
Per Capita Debt – General Purposes	1,642	871
Per Capita Debt – Utilities	633	269

Investment Earnings

Investment of all excess Revenue and Reserve Funds generated $2,046,615 in 2008 compared to $2,634,782 in 2007. Our portfolio is comprised equally of money market and term deposits maturing within a year and long-term bonds.

General Fund

The general revenue fund generated a deficit of $728,906. The 2008 budgeted transfer from surplus was $223,748. The deficit can be attributed to specific events. The snow and ice control budget along with the UBCM convention were main contributors to the unforeseen increase in the deficit.

Utilities

In the Sewer Utility, the 2008 transfer from surplus was budgeted at $315,341. The actual transfer to surplus for 2008 was $314,546. This was mainly due to the delayed start of the sewer capital works projects.

The Water Utility budgeted transfer to surplus was $491,769. The actual surplus was $1,139,605. This was due to delayed construction of the Water Treatment Plant Capital upgrades.

The Electric Utility appropriation from surplus was budgeted at $3,444,451. The actual appropriation was $117,442. This was due to the Carmi substation being deferred.

Library

The Statement of Revenue and Expenditure for the Penticton Public Library is presented in this report. Library revenue reflects a City grant of $910,576 which includes an allowance of $181,129 for building and administration costs, and $18,126 for equipment depreciation.

Respectfully submitted,

Doug Leahy
Treasurer

BDO Dunwoody LLP
Chartered Accountants
and Advisors

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AUDITORS' REPORT

To the Mayor and Council
Corporation of the City of Penticton

We have audited the consolidated statement of financial position of the Corporation of the City of Penticton as at December 31, 2008 and the consolidated statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2008 and the results of its consolidated operations for the year then ended in accordance with the Canadian accounting principles generally accepted for Municipalities.

BDO Dunwoody LLP

Chartered Accountants

Penticton, British Columbia
April 3, 2009

BDO Dunwoody LLP is a Limited Liability Partnership registered in British Columbia

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Cash	$ 8,243,743	$ 18,193,485
Term Deposits	57,876,662	44,415,729
Accounts Receivable (Note 4)	7,586,936	8,080,541
Accrued Interest Receivable	231,160	209,396
Municipal Finance Authority	4,742,421	2,347,049
	78,680,922	73,246,200
FINANCIAL LIABILITIES		
Development Cost Charges Reserve Fund (Note 5)	4,075,266	3,150,471
Federal Government	238,700	78,315
Provincial Government	19,906	22,643
Trade Accounts Payable and Accrued Liabilities	23,085,356	15,412,544
Deferred Revenues	3,227,298	3,561,594
Deposits	2,286,871	1,901,573
Penticton Public Library	78,998	105,838
MFA Cash Requirement	903,486	536,527
MFA Demand Note Requirement	3,838,935	1,810,522
Long Term Debt	72,610,571	36,387,473
	110,365,387	62,967,500
NET FINANCIAL ASSETS	(31,684,465)	10,278,700
CAPITAL ASSETS (Note 6)	361,447,612	299,205,016
NET POSITION	$ 329,763,147	$ 309,483,716
MUNICIPAL CAPITAL		
Equity in Capital Assets	$ 288,837,042	$ 262,817,541
Surplus	31,197,032	37,185,603
Statutory Reserve Funds	9,729,073	9,480,572
	$ 329,763,147	$ 309,483,716

Treasurer

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (Unaudited)	2008 Year Ended	2007 Year Ended
REVENUE			
Taxation	$ 24,120,135	$ 24,241,724	$ 22,273,871
Sales of Services	54,303,295	47,248,585	44,109,239
Unconditional Transfers - Provincial Government	575,000	731,184	10,208,942
Conditional Transfers - Federal Government	437,376	455,894	349,928
Conditional Transfers - Provincial Government	197,197	641,873	257,365
Conditional Transfers - Regional and Local Government	79,900	66,483	248,406
Other Revenue from Own Sources	9,642,404	12,237,419	14,631,327
Revenue - MFA	-	156,484	1,450,474
Other Contributions	2,627,420	1,550,997	1,419,656
	91,982,727	87,330,643	94,949,208
EXPENDITURE			
Salaries and Benefits	17,755,515	17,377,070	16,100,764
Goods and Services	35,996,227	34,082,201	31,689,814
Interest	2,910,868	2,333,553	1,599,976
Other Expenses	4,976,668	4,237,044	3,798,707
Vehicle and Equipment Maintenance	4,131,428	3,588,846	3,217,200
Policing Agreement	5,142,244	5,291,980	4,492,771
Expenditures for Capital Assets	100,296,188	62,383,119	47,296,875
	171,209,138	129,293,813	108,196,107
DEFICIENCY OF REVENUE OVER EXPENDITURE	(79,226,411)	(41,963,170)	(13,246,899)
Debt Proceeds	58,706,816	38,755,000	16,400,000
Debt Principal	(2,105,160)	(2,105,159)	(883,042)
Sinking Fund Actuarial Amount	-	(426,743)	(674,010)
CHANGE IN FUND BALANCES	$ (22,624,755)	(5,740,072)	1,596,049
FUND BALANCES, BEGINNING OF YEAR		17,817,014	16,220,965
FUND BALANCES, END OF YEAR		$ 12,076,942	$ 17,817,014

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Operating		
Change in Fund Balance for the Year	$ (5,740,072)	$ 1,596,049
Change in Equity in Capital Assets	26,019,501	31,579,268
Change in Non-Cash Operating Items		
Decrease (Increase) in Accounts Receivable	471,842	(1,786,165)
Increase in Accounts Payable and Accrued Liabilities	8,728,415	6,470,309
Decrease in Deferred Revenues	(334,296)	(9,493,913)
Increase in Deposits	385,299	200,821
Net Cash Flows from Operating	29,530,689	28,566,369
Financing		
Debt Proceeds	38,755,000	16,400,000
Debt Repayment	(2,531,902)	(1,557,053)
Net Cash Flows from Financing	36,223,098	14,842,947
Investing		
Increase in Capital Assets	(62,383,119)	(47,296,875)
Cost of Assets Written Down	140,523	874,657
Net Cash Flows from Investing	(62,242,596)	(46,422,218)
Change in Cash and Equivalents	3,511,191	(3,012,902)
Cash and Equivalents, Beginning of Year	62,609,214	65,622,116
Cash and Equivalents, End of Year	$ 66,120,405	$ 62,609,214
Cash and Equivalents is Defined as:		
Cash	$ 8,243,743	$ 18,193,485
Term Deposits	57,876,662	44,415,729
	$ 66,120,405	$ 62,609,214

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 262,817,541	$ 231,238,273
Add		
Assets Acquired by:		
Other Contributions	23,529,665	30,798,239
Retirement of Long Term Debt	2,105,159	883,042
Actuarial Sinking Fund Requirements	426,743	674,010
Repayment of Loan from Local Improvement Reserve Fund	98,457	98,634
	26,160,024	32,453,925
Deduct		
Assets Written Off	140,523	874,657
Balance, End of Year	$ 288,837,042	$ 262,817,541

See accompanying notes to financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. General

The notes to the Consolidated Financial Statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the Consolidated Financial Statements.

2. Nature of Business

The City is a non-profit organization incorporated under the laws of British Columbia. The City provides the services of collecting property taxes and receiving grant funding in order to fulfill their mandate to provide the following services:

- Protective Services
- Transportation Services
- Environmental Health Services
- Public Health and Welfare Services
- Environmental Development Services
- Recreational and Cultural Services
- General Government Services

The City is a municipality and, as such, is exempt from income tax under section 149(1)(c).

3. Accounting Principles

(a) The Consolidated Financial Statements have been prepared in conformity with accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants;

(b) In accordance with accounting and reporting requirements of the Ministry of Community Services, depreciation is not recorded;

(c) The Consolidated Statements include all General, Capital and Utility Funds of the Municipality;

(d) All fund bank accounts are consolidated in the General Revenue Fund;

(e) Comparative figures have changed to reflect the current year financial statement presentation.

Capital Assets - Capital assets consist of Land, Buildings, Engineering Structures, Machinery, and Equipment. Capital Assets are measured at cost. No amortization is recorded.

The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has recently revised the standards for accounting and reporting of Tangible Capital Assets. As of January 1, 2009 it will be mandatory for the City to comply with these new standards and report all Tangible Capital Assets at historical cost with related accumulated amortization as outlined in Section 3150 of the Public Sector Accounting Handbook.

The City of Penticton has begun this process in 2008 and is currently in the data collection and policy drafting phase of the project. The City expects to be fully compliant for the year ended December 31, 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

Municipal Finance Authority - Cash Deposits and Demand Notes - The Municipality issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

Long Term Debt - Principal payments due for the next five years (in thousands of dollars) are forecasted as follows:

	2009	2010	2011	2012	2013
General Fund	$4,407	$4,407	$4,407	$4,407	$4,407
Sewer Fund	334	571	571	571	571
Water Fund	448	671	791	911	986
	$5,189	$5,649	$5,769	$5,889	$5,964

Reserve for Future Expenditure - Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

Interfund Balances and Transactions - All material interfund transactions and balances have been eliminated within the Consolidated Financial Statements.

Statutory Reserve Funds - The use of these funds is restricted by the *Community Charter* and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

Financial Instruments - The City's financial instruments consist of cash and term deposits, accounts receivable, accrued interest receivable, Municipal Finance Authority, trade accounts payable and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

Budget Figures - The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year. Subsequent amendments have been made by the Council to reflect changes in the budget as required by law.

Use of Estimates - The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Segmented Information - The City of Penticton is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance, public transit, and water. For management reporting purposes the Municipality's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations.
City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are detailed in the Consolidated Schedule of Segment Disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

4. Accounts Receivable

	2008	2007
Property Taxes	$ 1,114,769	$ 644,134
Other Receivables	1,808,563	2,500,485
Federal Government	735,404	1,052,822
Provincial Government	1,564,733	1,701,316
Regional District of Okanagan Similkameen	13,920	-
Other Government Agencies	37,605	25,023
Utility Rates Receivable	2,311,942	2,156,761
	$ 7,586,936	$ 8,080,541

5. Development Cost Charges Reserve Fund (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the *Local Government Act* of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue.

	2008	2007
DCC by Type		
Roads	$ 252,421	$ (2,678)
Parks	170,663	551,631
Drainage	610,818	611,338
Waste Water	2,116,524	1,234,649
Water	924,840	755,531
	$ 4,075,266	$ 3,150,471
DCC Activity		
Balance, Beginning of Year	$ 3,150,471	$ 2,857,442
Return on Investments	116,482	118,791
DCCs Levied in the Year	2,133,298	1,513,904
Transfers to General Capital	(769,410)	(956,445)
Transfers to General Operating	(403,575)	(227,116)
Transfers to Water Capital	-	(6,105)
Transfers to Water Operating	(152,000)	(150,000)
	$ 4,075,266	$ 3,150,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

6. Capital Assets

	2008	2007
Engineering Structures	$ 259,481,685	$ 202,849,170
Buildings	52,499,931	50,853,534
Machinery & Equipment	30,133,915	27,323,941
Land	19,332,081	18,178,371
	$ 361,447,612	$ 299,205,016

7. Contingent Liabilities

(a) Regional District of Okanagan Similkameen
Under Section 836 of the *Local Government Act*, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2008, the long term debt of the Regional District aggregated $110,658,435 (2007 - $74,535,889).

(b) Legal Actions
As at December 31, 2008, certain legal actions are pending against the Municipality, the outcome of which cannot be determined at this time. As it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in the accounts.

8. Pension Liability

The Municipality and its employees contribute to the Municipal Pension Plan (the plan) a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of $438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010.

The actuary does not attribute portions of the surplus to individual employers. The City of Penticton paid $1,322,962 for employer contributions to the plan in 2008.

9. Letters of Credit

In addition to the performance deposits reflected in the Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of $5,496,856 which were received from depositors to ensure their performance of works to be undertaken within the city. These amounts are not reflected in the financial statements but are available to satisfy liabilities arising from non-performance by the depositors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

10. Gas Tax Agreement

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement Funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

	2008	2007
Opening Balance of Unspent Funds	$ 965,856	$ 564,254
Add: Amount Received During the Year	455,894	369,031
Interest Earned	39,754	32,571
	$ 1,461,504	$ 965,856

11. Prior Period Adjustment

During the year, the City had determined that the interfund account transfer from the General Revenue Fund to the General Capital Fund had been understated by $72,677 in 2006 and overstated by $152,292 in 2007. Accordingly, the interfund balances and the opening 2007 Fund balances have been adjusted by $72,677 and the closing 2007 Fund balance has been adjusted by $152,292.

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AUDITORS' REPORT ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Mayor and Council
Corporation of the City of Penticton

We have audited and reported separately herein on the consolidated financial statements of the Corporation of the City of Penticton as at and for the year ended December 31, 2008.

Our audit was conducted for the purposes of expressing an opinion on the consolidated financial statements of the City taken as a whole. The supplementary information on the financial position and financial activities of operations of the individual funds included in the following supporting schedules are presented for the purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants

Penticton, British Columbia
April 3, 2009

BDO Dunwoody LLP is a Limited Liability Partnership registered in British Columbia

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
YEAR ENDED DECEMBER 31, 2008

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services
REVENUE						
Taxation	$ 23,666,211	$ -	$ -	$ -	$ -	$ -
Sales of Services	5,234,411	1,196,367	942,903	1,290,053	136,014	70,955
Government Grants and Transfers	1,491,737	-	-	-	-	-
Transfer from Other Funds	3,779,785	-	-	-	-	-
Other Revenue	31,933,788	-	-	-	-	-
Other Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
	66,105,932	1,196,367	942,903	1,290,053	136,014	70,955
EXPENDITURE						
Salaries and Benefits	3,593,249	5,274,615	935,898	22,650	1,051	656,591
Goods and Services	1,631,005	905,800	2,824,002	1,093,784	117,087	1,439,838
Interest	174,715	256,650	104,225	-	-	-
Other Expenses	2,794,605	2,660	-	-	-	525,027
Vehicle and Equipment Maintenance	377,391	342,277	1,829,923	-	-	7,589
Policing Agreement	-	5,291,980	-	-	-	-
Transfer to Other Funds	31,184,587	-	-	-	-	-
Expenditures for Capital Assets	-	-	-	-	-	-
	39,755,552	12,073,982	5,694,048	1,116,434	118,138	2,629,045
Excess (Deficiency) of Revenues Over Expenditures Before Repayments	26,350,380	(10,877,615)	(4,751,145)	173,619	17,876	(2,558,090)
Debt Proceeds	-	-	-	-	-	-
Debt Principal	-	(120,971)	(74,203)	-	-	-
Sinking Fund Actuarial Amount	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	$ 26,350,380	$ (10,998,586)	$ (4,825,348)	$ 173,619	$ 17,876	$ (2,558,090)

Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	General Capital Fund	Other	Elimination The Corporation of the City of Penticton British Columbia	December 31, 2008 Total	December 31, 2007 Total
$ -	$ -	$ 575,513	$ -	$ -	$ -	$ -	$ 24,241,724	$ 22,273,871
1,508,952	26,881,971	4,096,927	4,802,876	-	1,087,156	-	47,248,585	44,109,239
17,000	-	164,281	12,416	210,000	-	-	1,895,434	11,064,641
-	-	-	152,000	-	-	(3,931,785)	-	-
-	-	156,484	-	-	-	(19,696,369)	12,393,903	15,922,987
-	474,854	139,411	369,871	566,861	-	-	1,550,997	1,419,656
-	-	-	-	-	-	-	-	158,812
1,525,952	27,356,825	5,132,616	5,337,163	776,861	1,087,156	(23,628,154)	87,330,643	94,949,206
4,299,564	678,275	1,084,064	822,791	-	-	8,322	17,377,070	16,100,764
3,458,361	20,085,395	964,069	1,562,860	-	-	-	34,082,201	31,689,814
1,226,518	-	125,733	445,712	-	-	-	2,333,553	1,599,976
910,576	4,176	-	-	-	-	-	4,237,044	3,798,707
82,505	313,050	175,261	460,850	-	-	-	3,588,846	3,217,200
-	-	-	-	-	-	-	5,291,980	4,492,771
-	5,350,166	1,359,540	213,385	-	-	(38,107,678)	-	-
-	1,222,121	4,996,599	2,385,170	53,779,229	-	-	62,383,119	47,296,875
9,977,524	27,653,183	8,705,266	5,890,768	53,779,229	-	(38,099,356)	129,293,813	108,196,107
(8,451,572)	(296,358)	(3,572,650)	(553,605)	(53,002,368)	1,087,156	14,471,202	(41,963,170)	(13,246,901)
-	-	8,360,000	4,000,000	26,395,000	-	-	38,755,000	16,400,000
(1,524,345)	-	(71,552)	(314,088)	-	-	-	(2,105,159)	(883,042)
-	-	-	-	-	-	(426,743)	(426,743)	(674,010)
$ (9,975,917)	$ (296,358)	$ 4,715,798	$ 3,132,307	$ (26,607,368)	$ 1,087,156	$ 14,044,459	$ (5,740,072)	$ 1,596,047

GENERAL REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Cash	$ 8,243,743	$ 18,193,485
Term Deposits	57,876,662	44,415,729
Accounts Receivable	5,795,250	6,417,006
Materials and Supplies	168,958	176,326
Prepaid Expenses	286,208	192,424
Accrued Interest Receivable	231,160	209,396
Municipal Finance Authority	3,623,291	1,652,109
	76,225,272	71,256,475
FINANCIAL LIABILITIES		
Trade Accounts Payable and Accrued Liabilities	23,085,356	15,412,544
Federal Government	238,700	78,315
Provincial Government	19,906	22,643
Deferred Revenues	3,227,298	3,561,594
Deposits	1,884,369	1,494,982
MFA Cash Requirement	600,453	322,427
MFA Demand Note Requirement	3,022,838	1,329,682
Due to Penticton Public Library	78,998	105,838
Due to Statutory Reserves	13,308,461	12,036,707
Due to Operating and Capital Funds	21,871,619	16,534,651
	67,337,998	50,899,383
NET POSITION	$ 8,887,274	$ 20,357,092
MUNICIPAL POSITION		
Own Reserves	$ 7,118,602	$ 18,020,805
Asset Valuation Allowances	82,206	73,206
Surplus	1,686,466	2,263,081
	$ 8,887,274	$ 20,357,092

Treasurer

See accompanying notes to financial statements.

GENERAL REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Taxation	$ 23,549,331	$ 23,666,211	$ 21,922,298
Sales of Services	11,129,172	11,466,812	10,908,605
Government Grants and Transfers	1,118,092	1,508,738	1,064,210
Transfer from Other Funds	3,985,122	3,779,785	1,860,626
Other Revenue	29,502,786	31,933,788	33,551,333
	69,284,503	72,355,334	69,307,072
EXPENDITURE			
Salaries and Benefits	14,952,240	14,783,617	13,644,174
Goods and Services	11,218,578	11,469,876	10,299,194
Interest	83,800	80,133	122,903
Debenture Interest	1,651,815	1,681,975	838,464
Debt Principal	1,719,519	1,719,519	457,056
Other Expenses	3,974,168	4,232,867	3,798,491
Vehicle and Equipment Maintenance	2,798,858	2,639,685	2,374,280
Policing Agreement	5,142,244	5,291,980	4,492,771
Transfer to Other Funds	27,967,029	31,184,587	34,646,691
	69,508,251	73,084,239	70,674,024
(DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ (223,748)	(728,905)	(1,366,952)
CHANGE IN FUND BALANCES		(728,905)	(1,366,952)
FUND BALANCES, AS PREVIOUSLY REPORTED		2,335,746	3,854,990
Prior Period Adjustment (Note 11)	-	79,625	(72,667)
		$ 1,686,466	$ 2,415,371
FUND BALANCES, AS RESTATED			

See accompanying notes to financial statements.

GENERAL CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Due from General Revenue Fund	$ 1,573,363	$ 7,126,050
FINANCIAL LIABILITIES		
Due to Local Improvement Reserve	778,223	374,144
Long Term Debt	52,406,156	27,803,155
	53,184,379	28,177,299
CAPITAL ASSETS		
Machinery & Equipment	28,900,995	26,132,231
Buildings	41,596,624	41,126,318
Engineering Structures	148,437,533	99,191,606
Land	18,794,099	17,640,389
	237,729,251	184,090,544
NET POSITION	$ 186,118,235	$ 163,039,295
MUNICIPAL POSITION		
Equity in Capital Assets	$ 186,118,235	$ 163,039,295
	$ 186,118,235	$ 163,039,295

Treasurer

See accompanying notes to financial statements.

GENERAL CAPITAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Unconditional Transfers - Provincial Government	$ 30,000	$ 210,000	$ 9,732,700
Federal Government	95,481	-	-
Transfers from Own Reserves	12,577,446	15,860,540	4,697,038
Transfers from Statutory Reserves	2,343,674	2,186,499	4,615,926
Transfers from General Revenue Fund	(125,609)	(338,279)	423,148
Transfers from Other Funds	5,214,130	3,214,130	7,931,725
Other Contributions	1,848,748	566,861	522,587
Interest Earned	-	131,791	152,292
Debt Proceeds	44,227,822	26,395,000	15,350,000
	66,211,692	48,226,542	43,425,416
EXPENDITURE			
Expenditures for Capital Assets	66,211,692	53,779,229	40,871,095
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ -	$ (5,552,687)	$ 2,554,321

See accompanying notes to financial statements.

GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 163,039,295	$ 135,269,666
Add		
Assets Acquired by:		
Other Contributions	18,892,685	28,075,416
Retirement of Long Term Debt	1,719,519	457,056
Actuarial Sinking Fund Requirements	72,482	51,635
Repayment of Loan from Local Improvement Reserve Fund	64,331	60,179
Reserve for Future Expenditures	2,470,446	-
	23,219,463	28,644,286
Deduct		
Assets Written Off	140,523	874,657
Balance, End of Year	$ 186,118,235	$ 163,039,295

See accompanying notes to financial statements.

RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 9,480,570	$ 11,461,390
Add		
Transfers from:		
Revenue Funds	2,246,286	1,894,572
Reserve Funds	-	230,000
Interest Earned	294,403	418,528
	12,021,259	14,004,490
Deduct		
Transfers to:		
Capital Funds	2,292,187	4,293,920
Reserve Funds	-	230,000
	2,292,187	4,523,920
Balance, End of Year	$ 9,729,072	$ 9,480,570

STATUTORY RESERVE FUND BALANCES

Equipment Replacement Reserve Fund	$ 2,992,485	$ 2,823,219
Tax Sale Lands Reserve Fund	6,569	6,357
Development Cost Charges Reserve Fund	4,075,266	3,150,471
Capital Reserve Fund	389,507	6,177
Local Improvement	627,835	1,219,107
Water Capital Reserve Fund	2,560,748	2,478,223
Sewer Capital Reserve Fund	471,875	1,049,368
Electric Capital Reserve Fund	882,054	853,628
Off-Site Parking Reserve Fund	81,254	78,635
Community Works Reserve Fund	1,461,504	965,856
Amenity Density Reserve	255,241	-
	13,804,338	12,631,041
Less:		
Development Cost Charges Reserve Fund	4,075,266	3,150,471
	$ 9,729,072	$ 9,480,570

Treasurer

See accompanying notes to financial statements.

RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008

	Equipment Replacement	Tax Sale Lands	Capital	Development Cost Charges	Local Improvement	Sewer Capital	Water Capital	Electric Capital	Off-Street Parking	Amentiy Density	Community Works	2008 Total	2007 Total
BALANCE, BEGINNING OF YEAR	$ 2,823,219	$ 6,357	$ 6,177	$ 3,150,471	$ 1,219,107	$ 1,049,368	$2,478,223	$853,628	$ 78,635	$ -	$ 965,856	$ 12,631,041	$ 14,318,833
ADD													
Transfers from:													
General Revenue Fund	1,023,431		376,850	1,013,095	139,050					251,061	455,894	3,259,381	2,501,213
Local Improvement Reserve												-	230,000
Sewer Revenue Fund				828,524								828,524	635,814
Water Capital Fund												-	229,127
Water Revenue Fund				291,679								291,679	42,322
Interest Earned	94,513	212	6,480	116,482	10,781	24,913	82,525	28,426	2,619	4,180	39,754	410,885	537,319
	3,941,163	6,569	389,507	5,400,251	1,368,938	1,074,281	2,560,748	882,054	81,254	255,241	1,461,504	17,421,510	18,494,628
DEDUCT													
Transfers to:													
General Capital Fund	948,678			769,410	532,741							2,250,829	4,797,959
General Capital Reserve												-	230,000
Sewer Capital Fund					208,362	602,406						810,768	446,726
Water Capital Fund												-	11,786
Water Revenue Fund				152,000								152,000	150,000
Sewer Revenue Fund												-	-
General Revenue Fund				403,575								403,575	227,116
	948,678	-	-	1,324,985	741,103	602,406	-	-	-	-	-	3,617,172	5,863,587
BALANCE, END OF YEAR	$ 2,992,485	$ 6,569	$ 389,507	$ 4,075,266	$ 627,835	$ 471,875	$2,560,748	$882,054	$ 81,254	$255,241	$ 1,461,504	$ 13,804,338	$ 12,631,041

SEWER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Due from General Revenue Fund	$ 4,580,173	$ 4,572,737
Materials and Supplies	30,396	23,469
Provincial Government	10,000	-
Municipal Finance Authority	408,809	161,849
	5,029,378	4,758,055
FINANCIAL LIABILITIES		
Deposits	86,346	24,401
MFA Cash Requirement	95,283	53,417
MFA Demand Note Requirement	313,525	108,432
Reserve for Future Expenditures	805,038	1,157,165
	1,300,192	1,343,415
NET POSITION	$ 3,729,186	$ 3,414,640
MUNICIPAL POSITION		
Surplus	$ 3,729,186	$ 3,414,640

Treasurer

See accompanying notes to financial statements.

SEWER REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Taxation	$ 570,804	$ 575,513	$ 351,574
Sales of Services	2,209,030	4,096,927	3,465,278
Government Grants and Transfers	45,900	42,483	245,871
Other Revenue	-	156,484	1,238,825
	2,825,734	4,871,407	5,301,548
EXPENDITURE			
Salaries and Benefits	1,129,521	1,084,064	1,078,071
Goods and Services	1,066,304	964,069	872,611
Interest	490,698	125,733	216,511
Debt Principal	71,552	71,552	111,898
Vehicle and Equipment Maintenance	183,000	175,261	167,095
Transfer to Other Funds	200,000	2,136,182	1,790,684
	3,141,075	4,556,861	4,236,870
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ (315,341)	314,546	1,064,678
CHANGE IN FUND BALANCES		314,546	1,064,678
FUND BALANCES, BEGINNING OF YEAR		3,414,640	2,349,962
FUND BALANCES, END OF YEAR		$ 3,729,186	$ 3,414,640

See accompanying notes to financial statements.

SEWER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Due from General Revenue Fund	$ 7,021,568	$ 960,532
FINANCIAL LIABILITIES		
Long Term Debt	9,374,739	1,312,225
Loan from Local Improvement Fund	360,301	220,192
	9,735,040	1,532,417
CAPITAL ASSETS		
Machinery & Equipment	440,243	425,478
Buildings	4,828,895	4,828,895
Engineering Structures	38,146,996	33,165,161
Land	137,521	137,521
	43,553,655	38,557,055
NET POSITION	$ 40,840,183	$ 37,985,170
MUNICIPAL POSITION		
Equity in Capital Assets	$ 40,840,183	$ 37,985,170
	$ 40,840,183	$ 37,985,170

Treasurer

See accompanying notes to financial statements.

SEWER CAPITAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Transfers from Utility Revenue	$ -	$ 502,620	$ (39,796)
Transfers from Own Reserves	1,157,165	1,157,165	490,594
Transfers from Statutory Reserves	1,142,406	776,642	397,594
Debt Proceeds	14,478,994	8,360,000	1,050,000
Conditional Transfers - Provincial Government	-	121,798	-
Other Contributions	298,672	139,411	115,379
Interest Earned	-	-	6,521
	17,077,237	11,057,636	2,020,292
EXPENDITURE			
Expenditures for Capital Assets	17,077,237	4,996,599	1,059,760
EXCESS OF REVENUE OVER EXPENDITURE	$ -	$ 6,061,037	$ 960,532

See accompanying notes to financial statements.

SEWER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 37,985,170	$ 36,357,425
Add		
Assets Acquired by:		
Other Contributions	2,523,400	970,292
Retirement of Long Term Debt	71,552	111,898
Actuarial Sinking Fund Requirements	225,934	513,622
Repayment of Loan from Local Improvement Reserve Fund	34,127	31,933
	2,855,013	1,627,745
Balance, End of Year	$ 40,840,183	$ 37,985,170

See accompanying notes to financial statements.

WATER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Utility Rates Receivable	$ 128,127	$ 258,811
Other Receivables	84	1,661
Materials and Supplies	202,956	210,632
Due from General Revenue Fund	3,242,025	2,935,000
Municipal Finance Authority	710,321	533,091
	4,283,513	3,939,195
FINANCIAL LIABILITIES		
Deposits	194,111	159,211
MFA Cash Requirement	207,749	160,683
MFA Demand Note Requirement	502,572	372,408
Reserve for Future Expenditures	257,743	1,265,160
	1,162,175	1,957,462
NET POSITION	$ 3,121,338	$ 1,981,733
MUNICIPAL POSITION		
Surplus	$ 3,121,338	$ 1,981,733

Treasurer

See accompanying notes to financial statements.

WATER REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Sales of Services	$ 4,470,390	$ 4,802,875	$ 4,798,040
Government Grants and Transfers	-	4,416	4,480
Other Revenue	-	-	211,649
Transfers from Own Reserves	-	-	1,302
Transfers from Other Funds	233,230	152,000	150,000
	4,703,620	4,959,291	5,165,471
EXPENDITURE			
Salaries and Benefits	961,990	822,791	740,878
Goods and Services	1,636,521	1,562,860	1,396,989
Interest	684,555	445,712	422,098
Debt Principal	314,089	314,088	314,088
Vehicle and Equipment Maintenance	401,000	460,850	388,618
Transfer to Other Funds	213,696	213,385	1,888,659
	4,211,851	3,819,686	5,151,330
EXCESS OF REVENUE OVER EXPENDITURE	$ 491,769	1,139,605	14,141
CHANGE IN FUND BALANCES		1,139,605	14,141
FUND BALANCES, BEGINNING OF YEAR		1,981,733	1,967,592
FUND BALANCES, END OF YEAR		$ 3,121,338	$ 1,981,733

See accompanying notes to financial statements.

WATER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Due from General Revenue Fund	$ 2,908,128	$ -
FINANCIAL LIABILITIES		
Due to General Revenue Fund	532,823	532,823
Long Term Debt	10,829,678	7,272,093
	11,362,501	7,804,916
CAPITAL ASSETS		
Machinery & Equipment	263,072	248,757
Buildings	4,210,541	3,047,226
Engineering Structures	49,860,719	48,653,179
Land	338,566	338,566
	54,672,898	52,287,728
NET POSITION	$ 46,218,525	$ 44,482,812
MUNICIPAL POSITION		
Equity in Capital Assets	$ 46,751,347	$ 45,015,634
Deficit	(532,822)	(532,822)
	$ 46,218,525	$ 44,482,812

Treasurer

See accompanying notes to financial statements.

WATER CAPITAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Transfer from Statutory Reserves	$ 1,709,500	$ -	$ 29,847
Government Grants and Transfers	-	8,000	17,380
Transfers from Own Reserves	1,265,160	1,265,160	444,155
Transfers from Utility Revenue Fund	-	(349,733)	280,676
Other Contributions	30,000	369,871	203,918
Debt Proceeds	7,900,000	4,000,000	-
	10,904,660	5,293,298	975,976
EXPENDITURE			
Expenditures for Capital Assets	10,904,660	2,385,170	4,208,788
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ -	$ 2,908,128	$ (3,232,812)

See accompanying notes to financial statements.

WATER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 45,015,634	$ 40,384,005
Add		
Assets Acquired by:		
Other Contributions	1,293,298	4,208,788
Actuarial Sinking Fund Requirements	128,327	108,753
Retirement of Long Term Debt	314,088	314,088
	1,735,713	4,631,629
Balance, End of Year	$ 46,751,347	$ 45,015,634

See accompanying notes to financial statements.

ELECTRIC REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Utility Rates Receivable	$ 2,183,816	$ 1,897,949
Other Receivables	2,482	37,936
Materials and Supplies	2,396,588	2,500,591
Due from General Revenue Fund	2,546,362	940,332
	7,129,248	5,376,808
FINANCIAL LIABILITIES		
Deposits	122,046	222,979
Due to Reserve for Future Expenditures	2,539,164	568,350
	2,661,210	791,329
NET POSITION	$ 4,468,038	$ 4,585,479
MUNICIPAL POSITION		
Surplus	$ 4,468,038	$ 4,585,479

Treasurer

See accompanying notes to financial statements.

ELECTRIC REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE	$ 25,668,831	$ 26,881,971	$ 24,937,317
EXPENDITURE			
Salaries and Benefits	711,764	678,275	608,209
Goods and Services	20,074,924	20,085,395	19,121,020
Other Expenses	2,500	4,176	216
Vehicle and Equipment Maintenance	186,611	313,050	287,208
Transfer to Other Funds	8,137,483	5,918,516	8,627,735
	29,113,282	26,999,412	28,644,388
(DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ (3,444,451)	(117,441)	(3,707,071)
CHANGE IN FUND BALANCES		(117,441)	(3,707,071)
FUND BALANCES, BEGINNING OF YEAR		4,585,479	8,292,550
FUND BALANCES, END OF YEAR		$ 4,468,038	$ 4,585,479

See accompanying notes to financial statements.

ELECTRIC CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	2008	2007
CAPITAL ASSETS		
Machinery & Equipment	$ 529,605	$ 517,474
Buildings	1,863,871	1,851,095
Engineering Structures	23,036,438	21,839,223
Land	61,896	61,896
NET POSITION	$ 25,491,810	$ 24,269,688
MUNICIPAL POSITION		
Equity in Capital Assets	$ 25,491,810	$ 24,269,688

Treasurer

See accompanying notes to financial statements.

ELECTRIC CAPITAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	2008 Budget (unaudited)	2008 Actual	2007 Actual
REVENUE			
Transfers from Other Funds	$ -	$ 178,918	$ 236,534
Other Contributions	450,000	474,854	577,772
Transfer from Own Reserves	568,350	568,350	342,926
	1,018,350	1,222,122	1,157,232
EXPENDITURE			
Expenditures for Capital Assets	1,018,350	1,222,122	1,157,232
EXCESS OF REVENUE OVER EXPENDITURE	$ -	$ -	$ -

See accompanying notes to financial statements.

ELECTRIC CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2008

	2008	2007
Balance, Beginning of Year	$ 24,269,688	$ 23,112,457
Add		
Assets Acquired by:		
Utility Revenue Fund	747,268	483,936
Other Contributions	474,854	673,295
	1,222,122	1,157,231
Balance, End of Year	$ 25,491,810	$ 24,269,688

See accompanying notes to financial statements.

DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2008

L/A Bylaw	S/I Bylaw	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate	Payee	2009 Payments Interest	2009 Payments Principal
92110	9504	60	12-Apr-95	Water Treatment Plant	1,000,000	464,314	20	2015	4.75	R.D.O.S.	47,500	30,243
92110	9542	61	01-Dec-95	Water Treatment Plant	3,000,000	1,392,941	20	2015	4	R.D.O.S.	120,000	90,728
92110	96-08	63	01-Jun-96	Water Treatment Plant	1,200,000	622,350	20	2016	4	R.D.O.S.	48,000	36,291
2006-07	7/17/2006	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	4,350,073	20	2026	4.43	R.D.O.S.	206,881	156,827
2007-86	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	4,000,000	20	2028	5.15	R.D.O.S.	206,000	134,327
					13,870,000	10,829,678					628,381	448,416
2006-61	273/2007	102	02-Nov-07	Sewer - Septage Handling Facility	1,050,000	1,014,739	20	2027	4.82	R.D.O.S.	50,610	35,261
2008-10	333-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	8,000,000	20	2028	5.15	R.D.O.S.	412,000	268,654
2007-60	333/2008	104	20-Nov-08	PIDA	360,000	360,000	10	2018	5.15	R.D.O.S.	18,540	29,985
					9,410,000	9,374,739					481,150	333,900
9925	20005	72	12-Apr-00	RCMP Building	2,500,000	1,778,024	20	2020	6.45	R.D.O.S.	161,250	75,606
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	1,066,815	20	2020	6.36	R.D.O.S.	95,400	45,364
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	293,507	20	2024	4.86	R.D.O.S.	16,403	10,207
2004-16	859/2004	85	25-Oct-04	Parks - Land Acquisition	1,680,000	1,461,013	20	2024	4.975	R.D.O.S.	83,580	50,808
2004-18	859/2004	85	25-Oct-04	Road Works - South Main St	195,000	169,582	20	2024	4.975	R.D.O.S.	9,701	5,897
2004-19	859/2004	85	25-Oct-04	Road Design - Main St	150,000	130,448	20	2024	4.975	R.D.O.S.	7,463	4,536
2004-20	859/2004	85	25-Oct-04	Parks - Integrated Waterfront	550,000	478,308	20	2024	4.975	R.D.O.S.	27,363	16,633
2004-21	859/2004	85	25-Oct-04	Parks - Youth Park	50,000	43,483	20	2024	4.975	R.D.O.S.	2,488	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	704,115	20	2025	5.1	R.D.O.S.	35,053	33,605
2004-20	1108/2004	93	06-Apr-05	Parks - Integrated Waterfront	520,000	457,675	20	2025	5.1	R.D.O.S.	22,784	21,844
2004-21	614/2005	95	13-Oct-05	Parks - Youth Park	150,000	134,276	20	2025	4.17	R.D.O.S.	6,255	5,037
2004-18	615/2005	95	13-Oct-05	Parks - Integrated Waterfront	825,000	738,516	20	2025	4.17	R.D.O.S.	34,403	27,705
2006-15	7/17/2006	99	07-Nov-06	Road Works - Fairview & Ind	1,595,000	1,485,732	20	2026	4.43	R.D.O.S.	70,659	53,563
2006-17	7/17/2006	99	07-Nov-06	Parks - Sportsfields	3,200,000	2,980,778	20	2026	4.43	R.D.O.S.	141,760	107,462
2006-18	273/2007	102	27-Mar-07	Queens Park Site Servicing	7,000,000	6,416,963	10	2027	4.82	R.D.O.S.	337,400	583,037
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront 2006	350,000	338,246	20	2027	4.82	R.D.O.S.	16,870	11,754
2006-39	273/2007	102	02-Nov-07	South Okanagan Event Centre	8,000,000	7,333,673	10	2017	4.82	R.D.O.S.	385,600	666,328
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	3,000,000	20	2028	4.65	R.D.O.S.	139,500	100,745
2006-39	333/2008	104	20-Nov-08	South Okanagan Event Centre	10,000,000	10,000,000	10	2018	5.15	R.D.O.S.	515,000	832,909
2006-39	333/2008	104	20-Nov-08	South Okanagan Event Centre	8,000,000	8,000,000	5	2013	4.35	R.D.O.S.	348,000	1,477,017
2007-41	333/2008	104	20-Nov-08	Cemetery - Columbarium	2,500,000	2,500,000	20	2028	5.15	R.D.O.S.	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	1,000,000	20	2028	5.15	R.D.O.S.	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	530,000	20	2028	5.15	R.D.O.S.	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	1,140,000	10	2018	5.15	R.D.O.S.	58,710	94,952
2008-39			30-Sep-08	Short Term Borrowing - Elm Avenue	225,000	225,000	5	2013	4.015	MFA	9,338	45,000
					55,797,500	52,406,154					2,732,525	4,406,855
					$ 79,077,500	$ 72,610,571					$ 3,842,056	$ 5,189,171

CEMETERY PERPETUAL CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2008

	2008	2007
ASSETS		
Bank Term Deposits	$ 752,345	$ 491,167
Receivables		
Due From General Revenue Fund	13,882	239,342
Accrued Interest	22,990	10,732
	$ 789,217	$ 741,241
SURPLUS		
Balance, Beginning of the Year	$ 741,241	$ 697,492
Add:		
Care Fund Contributions	13,009	18,065
Interest Earned	34,967	25,684
	$ 789,217	$ 741,241

Treasurer

See accompanying notes to the financial statements

PENTICTON PUBLIC LIBRARY
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 2008

		2008	2007
REVENUE			
Grant City of Penticton			
	Operating	$ 707,506	$ 695,987
	Building and Administration	181,129	174,522
	Equipment Depreciation	18,126	16,758
	Capital	3,815	6,666
Grant Province of B.C. Operating		109,834	109,834
Grant - Outlook/ Legal Services Society		7,689	3,333
Grant - Tech/ Equity		14,000	14,000
Okanagan Regional Library Contract		52,800	54,780
Interest Earned		3,120	4,778
Fines and Fees		30,034	31,494
Miscellaneous Revenue		12,582	11,425
Photocopy Revenue		3,051	2,944
Donations		926	1,040
Legacy/Estate Funds		5,159	4,857
Equipment Replacement Fund		6,901	6,654
		1,156,672	1,139,072
SURPLUS AT THE BEGINNING OF THE YEAR		105,838	115,400
EXPENDITURE			
Building and Administration		181,129	174,522
Equipment Allowance		18,126	16,758
Equipment Maintenance		16,506	17,419
Acquisitions	- Books	158,344	156,331
	- Periodicals	18,633	18,462
	- Videos/ Audio/ Online Subscriptions	10,995	9,603
Book Binding		1,028	2,326
Office Supplies		30,864	37,556
Postage, Freight, Courier, Mileage		6,065	5,964
Salaries and Benefits		729,709	684,540
Staff/ Trustee Training and Development		2,762	4,614
Telephone/ Fax/ Internet		2,306	2,522
Program Support		144	4,696
Capital Equipment		6,901	13,321
		1,183,512	1,148,634
SURPLUS AT THE END OF THE YEAR		$ 78,998	$ 105,838

FINANCIAL STATISTICS
(UNAUDITED)

	1998**	1999**	2000**	2001***	2002***
Population	30,987	30,987	30,987	30,985	30,985
Assessed Values - General					
Land	1,040,610,909	1,033,714,732	995,628,640	999,082,549	1,000,376,974
Land Exempt	149,736,660	150,917,460	142,114,754	141,266,606	140,756,657
Taxable Land	890,874,249	882,797,272	853,513,886	857,815,943	859,620,317
Improvements	1,323,537,812	1,320,489,436	1,337,405,103	1,344,556,402	1,391,386,900
Improvements Exempt	190,320,833	183,869,582	192,252,631	192,570,333	197,516,990
Taxable Improvements	1,133,216,979	1,136,619,854	1,145,152,472	1,151,986,069	1,193,869,910
Total Taxable Assessment	2,024,091,228	2,019,417,126	1,998,666,358	2,009,802,012	2,053,490,227
Per Capita	65,321	65,170	64,500	64,864	66,274
Assessment Actually Taxed					
General Purposes	2,001,292,228	1,996,437,126	1,975,032,758	1,986,275,412	2,030,243,827
School Purposes	2,018,139,812	2,013,650,310	1,998,666,358	2,004,177,143	2,047,566,849
Tax Levy					
General and Debt	12,598,784	12,830,351	13,390,448	14,140,577	14,882,630
School	11,436,496	11,648,997	11,630,813	11,671,618	11,913,141
Regional Hospital	902,325	917,656	962,087	1,982,487	1,979,438
Other (Excluding Irrigation)	4,789,742	4,852,941	5,012,389	5,102,716	4,995,324
Total Tax Levy	29,727,347	30,249,945	30,995,737	32,897,398	33,770,533
Total Levy (Including Irrigation)	29,867,421	30,390,103	31,136,579	33,037,202	33,910,115
Per Capita	964	981	1,005	1,066	1,094
General Tax Rate	5.706/8.559	5.805/8.708	6.128/9.192	6.436/9.654	6.6295/9.9443
Tax Collection					
Current Taxes and Irrigation	29,329,134	29,771,871	30,565,077	32,588,106	33,353,856
% Current Levy Collected	98.2%	98.0%	98.2%	98.6%	98.4%
Arrears and Delinquent	732,150	716,637	687,640	412,751	748,867
Total Taxes Collected	30,061,284	30,488,508	31,252,717	33,000,857	34,102,723
% of Current Levy	100.6%	100.3%	100.4%	99.9%	100.6%
Arrears of Taxes	240,410	263,097	250,136	505,580	205,809
Per Capita	7.76	8.49	8.07	16.32	6.64
Debt					
Gross Debt	11,042,545	9,994,490	13,926,419	13,035,934	11,841,379
Per Capita	356	323	449	421	382
Analysis of Debt (Gross)					
Water Supply System	5,513,594	5,183,443	4,836,783	4,472,790	4,130,719
Sewer System	4,058,625	3,545,947	3,007,196	2,441,022	1,857,736
General	1,470,326	1,265,100	6,082,440	6,122,122	5,852,924

** 1996 Census

FINANCIAL STATISTICS
(UNAUDITED)

	2003***	2004***	2005***	2006****	2007****	2008****
Population	30,985	30,985	30,985	31,909	31,909	31,909
Assessed Values - General						
Land	1,022,385,901	1,141,538,471	1,430,440,541	1,721,511,628	2,448,850,103	3,188,142,034
Land Exempt	148,912,016	172,413,710	177,810,827	192,421,757	283,669,970	399,594,486
Taxable Land	873,473,885	969,124,761	1,252,629,714	1,529,089,871	2,165,180,133	2,788,547,548
Improvements	1,490,127,901	1,654,513,500	1,941,305,110	2,280,195,513	2,631,660,748	2,937,502,292
Improvements Exempt	202,748,963	207,550,130	227,310,600	261,187,083	307,810,148	316,120,461
Taxable Improvements	1,287,378,938	1,446,963,370	1,713,994,510	2,019,008,430	2,323,850,600	2,621,381,831
Total Taxable Assessment	2,160,852,823	2,416,088,131	2,966,624,224	3,548,098,301	4,489,030,733	5,409,929,379
Per Capita	69,739	77,976	95,744	111,194	140,682	169,542
Assessment Actually Taxed						
General Purposes	2,137,700,023	2,392,425,331	2,942,179,424	3,524,650,801	4,464,644,533	5,389,471,782
School Purposes	2,154,719,592	2,409,204,900	2,958,710,508	3,538,474,892	4,475,850,189	5,395,794,896
Tax Levy						
General and Debt	15,926,729	17,012,508	18,075,952	19,304,542	21,160,331	22,771,065
School	12,152,121	12,637,459	13,581,087	14,552,429	15,243,122	15,745,219
Regional Hospital	1,980,515	1,961,408	1,785,679	1,817,981	1,849,741	1,875,168
Other (Excluding Irrigation)	5,008,308	5,179,878	5,382,474	5,922,571	6,324,635	7,069,201
Total Tax Levy	35,067,673	36,791,253	38,825,192	41,597,523	44,577,829	47,460,653
Total Levy (Including Irrigation)	35,206,896	36,930,550	38,967,825	41,734,350	44,767,207	47,460,653
Per Capita	1,136	1,192	1,258	1,308	1,403	1,487
General Tax Rate	6.753/10.1295	6.4781/9.7172	5.3623/9.931	4.74/9.187	4.098/7.9342	3.6293/7.2879
Tax Collection						
Current Taxes and Irrigation	34,685,099	36,625,786	38,475,389	41,494,579	44,454,337	46,990,212
% Current Levy Collected	98.5%	99.2%	98.7%	99.4%	99.3%	99.0%
Arrears and Delinquent	598,402	586,147	405,886	625,544	246,424	106,163
Total Taxes Collected	35,283,501	37,211,933	38,881,275	42,120,123	44,700,761	47,096,375
% of Current Levy	100.2%	100.8%	99.8%	100.9%	99.9%	99.2%
Arrears of Taxes	178,225	121,940	112,475	107,045	95,392	302,099
Per Capita	5.75	3.94	3.63	3.35	2.99	9.47
Debt						
Gross Debt	10,348,553	12,176,427	13,185,569	21,544,526	36,387,473	72,610,572
Per Capita	334	393	426	675	1,140	2,276
Analysis of Debt (Gross)						
Water Supply System	3,891,909	3,641,158	3,377,869	7,694,934	7,272,093	10,829,678
Sewer System	1,575,393	1,357,265	1,128,231	887,745	1,312,225	9,374,739
General	4,881,251	7,178,004	8,679,469	12,961,847	27,803,155	52,406,155

***2001 Census

****2006 Census

FINANCIAL STATISTICS
(UNAUDITED)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Utilities											
Sewer											
Operating Profit/(Loss)	(52,404)	98,945	144,617	182,196	(47,480)	(38,384)	(187,045)	800,290	(325,262)	1,064,678	314,546
Domestic Water & Irrigation											
Operating Profit/(Loss)	570,491	631,749	(551,858)	408,648	407,987	250,173	(672,206)	87,436	244,131	14,141	1,139,605
Electric Light											
Operating Profit/(Loss)	1,843,025	2,048,282	2,340,634	2,663,070	2,897,239	2,474,864	1,949,675	2,690,601	4,415,564	(3,707,071)	(117,441)
General											
Building Permits Issued	33,196,718	22,619,600	18,796,519	31,093,176	35,928,297	46,681,982	52,227,735	74,663,879	143,297,262	117,632,217	81,735,252
Liability Servicing Capacity Available						11,529,751	12,914,033	13,418,514	15,683,410	20,138,466	18,073,220